



STATE BOARD OF EQUALIZATION

450 N STREET, SACRAMENTO, CALIFORNIA
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BETTY T. YEE
First District, San Francisco

BILL LEONARD
Second District, Ontario/Sacramento

MICHELLE STEEL
Third District, Rolling Hills Estates

JUDY CHU, Ph.D.
Fourth District, Los Angeles

JOHN CHIANG
State Controller

RAMON J. HIRSIG
Executive Director

STATE BOARD OF EQUALIZATION MEETING

450 N Street, Room 121, Sacramento

November 14-15, 2007

PRELIMINARY RECORD OF BOARD ACTION

Wednesday, November 14, 2007

The following is a preliminary record of Board actions taken at the November 14, 2007 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

The Board's decision reflects only the issues resolved by the Board at the meeting. Issues resolved prior to the meeting are not reflected in this document.

If you would like specific information regarding items on this Preliminary Record of Board Action, please telephone Rose Smith at (916) 323-9656 or e-mail: Rose.Smith@boe.ca.gov. Please be advised that material containing confidential taxpayer information cannot be publicly disclosed.

Board Committee Meeting – Please see Page 23, O, Adoption of Board Committee Reports and Approval of Committee Actions, for voting results.

Board Meeting

Oral Hearings

A. Homeowner and Renter Property Tax Assistance Hearings

There are no items for this matter.

B. Corporate Franchise and Personal Income Tax Hearings

B1. John W. Disterdick, 238348—Dismissed

B2. Swift Transportation Company, Inc., 266318—Postponed to January/February Sacramento

B3. Vidco Express, Inc., 378528

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

G. Tax Program Nonappearance Matters – Consent**G1 Legal Appeals Matters**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations No Final Determination on sub items 6, 8 and 11	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Hearing Notice Sent – No Response
 1. Eddie Abraham Sharaf and Hadeel Adnan Sharaf, 100144, 100148, 100175, 100210, 106961 (ET)
 2. Eugene D. Denison (Deceased), 353326 (KH)
 3. Scott I. Hanson, 347272 (UT)
- Hearing Notice Sent – Appearance Waived
 4. Christopher D. Santangelo, 289746 (AS)
 5. John Bernard Dubeau, 310294 (KHO)
- Petition for Release of Seized Property
 6. ~~Bay Briar Shoppe, Inc., 405478 (ET)~~
 7. Thuong Ngoc Nguyen, 417472 (ET)
 8. ~~Ngo My Chau, 415744 (ET)~~
 9. Beverages & More, Inc., 417078 (ET)
 10. Sarbit Sandhu and Prabhjyot K. Sandhu, 416632 (ET)
 11. ~~Ahmad Moussavi and Masoumeh Jafari, 417473 (ET)~~

G2 Franchise and Income Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff	Ms. Yee	Yes
Recommendations	Mr. Leonard	Yes
No Final Determination on sub items 6 and 11	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes – except not participating in sub item 4

➤ Decisions

1. Jesus Alcala and Antonia Alcala, 378327
 2. Peter Bence, 353715
 3. Andrew G. Brown and Sharon E. Brown, 384286
 4. David Chang, 377398
 5. Jerry Chow, 349005
 6. ~~Louis E. Cook and Nancy L. Cook, 258746~~
 7. The Hollywood Canteen, LLC, 361405
 8. Fred Kennedy, 346183
 9. Sunni Leigh, 379623
 10. Estate of Jacqueline Miles (Deceased) and Cheri M. Guenther (Transferee), 329215
 11. ~~David W. Penney, 341465~~
 12. Osvaldo Salazar, 373762
 13. Earl R. Siddall and Victoria Hernandez Siddall, 382167
 14. Sheral A. VanDyke, 377373
 15. Cecil L. Young, 353099
- Petition for Rehearing
16. Parvin Nili and Mohammad H. Nili, 349309

G3 Homeowner and Renter Property Tax Assistance Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff	Ms. Yee	Yes
Recommendations	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

➤ Decisions

1. Shushanik Bagdasaryan, 390369
2. Willie L. Butler, 387493
3. Souny Chanthaphaly, 377274
4. Yun Chong, 382467
5. Maria DeJesus Lopez, 383536

6. Lucia Fiorani, 378247
7. Virgie Jones, 367273
8. Jan S. Kennedy, 387816
9. Stanley McLemore, 388660
10. Jorge Diaz Quirino, 374375
11. Yvonne Washington, 386728

G4 Sales and Use Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Redeterminations
 1. Adac Laboratories, 261170 (GH)
 2. Telcordia Technologies, Inc., 130646 (OHB)
 3. Wellquest International, Inc., 309414 (OHB)
 4. Adac Research & Manufacturing, Inc., 261339 (GH)
- Relief of Penalty/Interest
 5. Barney's, Inc., 417454 (OHB)
 6. K-Mart Corporation, 415991 (OHA)
 7. Nextel of California, Inc., 418263 (OHB)
 8. ASC Profiles, Inc, 418261 (JHF)
- Denials of Claims for Refund
 9. Madison/Graham Color Graphics, Inc., 301641 (AA)
 10. Arvato Services, Inc., 301289 (AR)
 11. IBM Credit, LLC, 298316 (OHB)
 12. IBM Credit Corporation, 281360 (OHB)
- Denial of Relief of Penalty/Interest
 13. K-Mart Corporation, 415993 (OHA)

G5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes – except not participating in sub items 17 and 25

- Credits and Cancellations
 1. Barnaby Montgomery, 405620 (AR)
 2. Pico Rivera Pallet Corporation, 416635 (EH)
 3. Texwood Industries, Inc., 347092 (OHA)
 4. Mark John Williams, 416973 (AS)
 5. Veronica Vasquez, 416671 (EA)
 6. SKG & R, Inc., 418284 (ARH)
 7. Lewis Vehicle Services, Inc., 417466 (FHB)
- Refunds
 8. Amcor Sunclipse North America, 401437 (EA)
 9. Patagonia, Inc., 394864 (AR)
 10. Vons Employees Federal Credit Union, 262412 (AP)
 11. Professional Hospital Supply, Inc., 339197 (EH)
 12. Cypress Semiconductor Corporation, 386556 (GH)
 13. Leiner Health Products, Inc., 216144 (AS)
 14. J.R. Simplot Company, 415051 (OH)
 15. Euromarket Designs, Inc., 402361 (OHA)
 16. Mercedes-Benz USA, LLC, 403067 (KH)
 17. Pacific Life Insurance Company, 318222 (EAA)
 18. Harte-Hanks Data Technologies, LLC, 406632 (OHB)
 19. Convergent Prima, Inc., 416051 (OHB)
 20. International Business Machines Corporation, 399474 (OHB)
 21. Travis Credit Union, 404506 (JHF)
 22. Flextronics International USA, Inc., 394876 (GH)
 23. Boeing Satellite Systems, Inc., 315958 (AS)
 24. Arcadia Financial, Ltd., 405773 (OHB)
 25. Allergan Sales, LLC, 391026 (EAA)
 26. The MacGregor Group, Inc., 354082 (OHB)
 27. Legoland California, LLC, 416347 (FHB)

G6 Special Taxes Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes – except not participating in sub item 2

- Redeterminations
 1. Sampoerna Distribution Network, Inc., 151233 (ET)
 2. ExxonMobil Oil Corporation, 339663 (MT) - “CF”

G7 Special Taxes Matters – Credits, Cancellations, and Refunds

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

➤ Refunds

1. USAA Life Insurance Company, 381439 (ET) - **“CF”**
2. ExxonMobil Oil Corporation, 305833 (MT) - **“CF”**

G8 Property Tax Matters

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

➤ Petitions for Reassessment of Unitary Value

1. Blythe Energy, LLC (1136), 417202 - **“CF”**
2. Omnipoint Communications, Inc. (2748), 414761 - **“CF”**

➤ Petitions for Reassessment of Nonunitary Value

3. Mountain Utilities, LLC (185), 421264 - **“CF”**
4. Union Pacific Railroad Company (843), 421265 - **“CF”**

There are no items for the following matters.

G9 Cigarette License Fee Matters

G10 Legal Appeals Property Tax Matters

H. Tax Program Nonappearance Matters – Adjudicatory**H1 Legal Appeals Matters**

➤ Case Heard But Not Decided

1. UCI University Club, 290120 (EAA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

H2 Franchise and Income Tax Matters

➤ Decisions

1. Kung-Ming Chiu, 332187

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

2. Robert Dean Hines, 353727

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Appeal Denied	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

3. Thomas W. Kulp and Suzanne G. Kulp, 335780

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Appeal Partially Granted/Denied	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

There are no items for the following matters.

H3 Homeowner and Renter Property Tax Assistance Matters

H4 Sales and Use Taxes Matters

H5 Sales and Use Taxes Matters – Credits, Cancellations, and Refunds

➤ Refunds

1. Allergan Sales, Inc., 357255 (EAA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Granted	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

2. Pictometry International Corporation, 402876 (OHB)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Granted	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

3. Allergan Sales, LLC, 356791 (EAA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Granted	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

4. Allergan Sales, LLC, 357254 (EAA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Granted	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

5. Long Beach Acceptance Corporation, 198737 (EA)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Granted	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

There are no items for the following matters.

H6 Special Taxes Matters

H7 Special Taxes Matters – Credits, Cancellations, and Refunds

H8 Property Tax Matters

H9 Cigarette License Fee Matters

H10 Legal Appeals Property Tax Matters

➤ Petitions for Reassessment of Unitary Value

1. San Diego Gas & Electric Company (141), 414848 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

2. Southern California Gas Company (149), 414849 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

3. Verizon California, Inc. (201), 415121 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

4. Duke Energy Moss Landing (1103), 415122 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

5. Mountainview Power Company (1119), 414758 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

6. GWF Hanford, Inc. (1122), 415657 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

7. GWF Energy, LLC-Henrietta (1123), 415658 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

8. Elk Hills Power, LLC (1126), 414757 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes No Not Participating Yes Not Participating

9. Delta Energy Center, LLC (1128), 415120 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

10. Pastoria Energy Center, LLC (1131), 415660 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

11. Calpine Construction Finance Company, LP (1132), 415661 - “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

12. Metcalf Energy Center (1133), 415662 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

13. Los Esteros Critical Energy Facility, LLC (1143), 415659 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

➤ Petition- Penalty Abatement Unitary Value

14. Teleglobe USA, Inc. (7760), 414755 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Granted	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

➤ Petition- Reassessment/Penalty Abatement Unitary

15. Telscape Communications (7907), 414762 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Partially Granted/Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

16. New Edge Network, Inc. (7800), 414756 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

- Petition- Reassessment of Unitary Escape
 17. Duke Energy Morro Bay, LLC (1104), 373730 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

I. Tax Program Nonappearance Matters

I1 Property Taxes Matters

- Audits “CF”
 1. PacifiCorp (106) “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

2. NextG Networks of California, Inc. (7982) “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

➤ Unitary Escaped Assessments “CF”

3. Ace Communications, Inc. (8069) “CF”

Across the Globe Telecommunications, Inc. (8070) “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

➤ Board Roll Changes “CF”

4. 2007 Board Roll of State-Assessed Property “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Not Participating

I2 Offers-in-Compromise Recommendations

There are no items for this matter.

Board Meeting Reconvenes at 1:30 p.m.**C. Sales and Use Tax Appeals Hearings**

C1. AADIJ Investment, Inc., 334276 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination Postponed to December	Ms. Yee	
	Mr. Leonard	
	Ms. Steel	
	Ms. Chu	
	Mr. Chiang/Ms. Mandel	

C2. Curtis 1000, Inc., 213334 (OH)—Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Claim Denied Approved Staff Recommendation	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

C3. 7-Eleven, Inc., 333747 (FH)—Postponed to March Sacramento

C4. Home Care Information Systems, Inc., 89002426820 (OH) —Postponed to January/February Sacramento

C5. L and M, Inc., 283577, 330488, 343764 (CH)—Deferred

C6. J & H Jewelry Mart, Inc., 304042 (GH)

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

D. Special Taxes Appeals Hearing

There are no items for this matter.

E. Property Tax Appeals Hearings

These items are scheduled for Thursday, November 15, 2007.

F. Public Hearings

These items are scheduled for Thursday, November 15, 2007.

Chief Counsel Matters

There are no items for the following matters.

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

Administrative Session

These items are scheduled for Thursday, November 15, 2007.

- N. Consent Agenda
- O. Adoption of Board Committee Report and Approval of Committee Actions
- P. Other Administrative Matters

Q. Closed Session

These items are scheduled for Thursday, November 15, 2007.

ADJOURN - The meeting will reconvene on Thursday, November 15, 2007, at 9:30 a.m.

UNOFFICIAL



STATE BOARD OF EQUALIZATION

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Executive Director

**STATE BOARD OF EQUALIZATION MEETING
450 N Street, Room 121, Sacramento
November 14-15, 2007**

PRELIMINARY RECORD OF BOARD ACTION

Thursday, November 15, 2007

The following is a preliminary record of Board actions taken at the November 15, 2007 Board Meeting. This is not an official record and is subject to correction or modification. The official record of the Board's actions is the minutes of the Board, which will be adopted at a subsequent meeting.

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Board Meeting

- A. Homeowner and Renter Property Tax Assistance Hearings**
There are no items for this matter.
- B. Corporate Franchise and Personal Income Tax Hearings**
These matters are scheduled for Wednesday, November 14, 2007.
- C. Sales and Use Tax Appeals Hearings**
These matters are scheduled for Wednesday, November 14, 2007.
- D. Special Taxes Appeals Hearing**
There are no items for this matter.

E. Property Tax Appeals Hearings**Petitions for Reassessment of Unitary Value**E1. U.S. Telepacific Corporation (7757), 414208 – “**CF**” —Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
No Final Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

E2. Golden State Water Company (101), 414767 – “**CF**”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

Petitions for Reassessment of Unitary Escaped AssessmentE3. O1 Communications, Inc. (7791), 388338 – “**CF**” —Waived Appearance

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayer's Petition Partially Granted/Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Not Participating

- E4.a Verizon Wireless (2512), 405333 – “CF”
 E4.b Sacramento Valley LP (2513), 406373 – “CF”
 E4.c Los Angeles SMSA LP (2532), 406374 – “CF”
 E4.d Fresno MSA LP (2552), 406375 – “CF”
 E4.e GTE Mobilnet of California LP (2559), 406376 – “CF”
 E4.f GTE Mobilnet of Santa Barbara LP (2627), 406377 – “CF”
 E4.g Cellco Partnership (2667), 406378 – “CF”
 E4.h California RSA #4 (2669), 406379 – “CF”

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Taxpayers' Petitions Denied	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes No Yes Not Participating
<u>DECISION</u> In the form of a motion, the Board ordered staff to report to the Board on whether State and local valuations are consistent in the area of escaped assessments and in-lieu interest.	<u>MEMBER</u> Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	<u>BOARD VOTE</u> Yes Yes Yes Yes Not Participating

F. Public Hearings

- F1 Proposed Amendments to Property Tax Rule 101, *Board-Prescribed Exemption Forms*, and Property Tax Rule 171, *Board –Prescribed Forms for Property Statements*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted as published.	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Yes

F2 Proposed Amendments to Sales and Use Tax Regulation 1699,
Permits

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted as published.	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

F3 Proposed Adoption of Alcohol Beverage Tax Regulation 2558,
Distilled Spirits, Regulation 2559, *Presumption-Distilled Spirits*,
Regulation 2559.1, *Rebuttable Presumption-Distilled Spirits*,
Regulation 2559.3, *Internet List*, and Regulation 2559.5, *Correct
Classification*

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted as published.	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

Chief Counsel Matters

There are no items for the following matters.

- J. Rulemaking
- K. Business Taxes
- L. Property Taxes
- M. Other Chief Counsel Matters

Administrative Session**N. Consent Agenda**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff	Ms. Yee	Yes
Recommendations	Mr. Leonard	Yes
No Final Determination on sub-item N10	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

N1 Approval of Board Employee Retirement Resolutions

- Leon J. Adams
- David Dunlap
- Eva Kay
- Lena F. Ng

N2 Approval of Board Retirement Resolution

- Marsha A. Wharff

N3 Approval of Report on Effects of Proposition 10 on Cigarette and Tobacco Products Consumption

N4 Approval of 2008 Timberland Production Zone Values

N5 Approval of Sales Tax Prepayment Rate on Motor Vehicle Fuel, Diesel Fuel and Jet Fuel

N6 Approval of Assessors' Handbook Section 531, Residential Building Costs

N7 Approval of Assessors' Handbook Section 534, Rural Building Costs

N8 Approval of Assessors' Handbook Section 581, Equipment Index and Percent Good Factors

N9 Approval of Form BOE-62-DP, Claim for Reassessment Reversal for Registered Domestic Partners

N10 ~~Approval of fractionally owned aircraft forms: Form BOE-570-FO-1, Supplementary Schedule to the Business Property Statement --- Aircraft Cost Report, and instructions; and, Form BOE-570-FO-2, Supplementary Schedule to the Business Property Statement --- Aircraft Value Computation, and instructions~~

O. Adoption of Board Committee Report and Approval of Committee Actions**O1 Legislative Committee**

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein.	Ms. Yee	Yes
For details see:	Mr. Leonard	Yes
http://www.boe.ca.gov/meetings/legcommittee.htm	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

➤ Property Taxes, 2008 Legislative Proposals, Consent Items

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Approved Staff	Ms. Yee	Yes
Recommendations	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

1-1 Amend Revenue and Taxation Code section 276

1-2 Amend Revenue and Taxation Code section 441

1-3 Amend Government Code section 15641

➤ Business Taxes 2008 Legislative Proposals

2-1 Amend Revenue and Taxation Code section 6591.5

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Recommendation of Support	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

2-2 Add section 15607 to the Government Code

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
No Determination	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	

- Business Taxes, Sales and Use Taxes, 2008 Legislative Proposals
3-1 Add section 6363.4 to the Sales and Use Tax Law

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Recommendation of Support	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Yes

3-2 Amend the Labor Code

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Recommendation of Support	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes Yes Yes Yes Yes

3-3 Add section 6487.06 to the Revenue and Taxation Code—Deferred

3-4 Amend section 6248 of the Revenue and Taxation Code

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Recommendation of support	Ms. Yee Mr. Leonard Ms. Steel Ms. Chu Mr. Chiang/Ms. Mandel	Yes No No Yes Yes

3-5 Amend sections 6452.1, 6487.3, and 18510 of the Revenue and Taxation Code

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Recommendation of support	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

- Business Taxes, Special Taxes, 2008 Legislative Proposals
 4-1 Amend sections 7342, 7470, and 60135 of the Revenue and Taxation Code

<u>POSITION</u>	<u>MEMBER</u>	<u>COMMITTEE VOTE</u>
Recommendation of support	Ms. Yee	Yes
	Mr. Leonard	No
	Ms. Steel	No
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

O2 Customer Service and Administrative Efficiency Committee

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Adopted committee report and approved the actions therein. For details see: http://www.boe.ca.gov/meetings/custsrv/custsrv07.htm	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

P. Other Administrative Matters

P1 Executive Director's Report

- a. Headquarters Building Update
- b. Resolution of Appreciation to Franchise Tax Board Presentation

P2 Chief Counsel Report

There are no items for this matter.

P3 Deputy Director's Report

- a. Sales and Use Tax
There are no items for this matter.
- b. Property and Special Taxes
There are no items for this matter

c. Administration

1. Renewal of Department of Technology Service Interagency Agreement for Fiscal Year 2007-2008

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendation	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

2. Status Report on Unallocated Reduction Request
3. CEA Status-For Information and Approval
 - Pending Position Actions
 - Request for Approval of CEA I Upgrades

<u>DECISION</u>	<u>MEMBER</u>	<u>BOARD VOTE</u>
Approved Staff Recommendations	Ms. Yee	Yes
	Mr. Leonard	Yes
	Ms. Steel	Yes
	Ms. Chu	Yes
	Mr. Chiang/Ms. Mandel	Yes

Q. Closed Session**ADJOURN**